

2010-2011

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

**NATIONAL RESIDUE SURVEY (EXCISE) LEVY AMENDMENT (DEER)  
BILL 2011**

EXPLANATORY MEMORANDUM

(Circulated by authority of the Minister for Agriculture, Fisheries and Forestry,  
Senator the Hon. Joe Ludwig)

## **NATIONAL RESIDUE SURVEY (EXCISE) LEVY AMENDMENT (DEER) BILL 2011**

### **GENERAL OUTLINE**

The *National Residue Survey (Excise) Levy Act 1998* (the Act) defines the maximum rate (cap) of the deer slaughter levy (the levy) that can be paid by the Australian deer industry to fund activities undertaken by the National Residue Survey (NRS). Schedule 11 (Livestock Slaughter), clause 3(1)(a) and (b) of the Act currently caps the maximum allowable levy rate at 4 cents per kilogram of carcass weight.

The National Residue Survey (Excise) Levy Amendment (Deer) Bill 2011 amends the Act to increase the cap on the NRS component of the levy from 4 cents to 10.5 cents per kilogram.

The deer industry has experienced a significant production decline over the last 10 years, which has decreased the amount of money raised through deer levies. The decreased levy revenue means that the deer industry cannot maintain a viable residue monitoring program.

Subsequently the Deer Industry Association of Australia (DIAA), on behalf of the deer industry, requested re-apportioning the levy to increase the NRS component from 4 to 6 cents per kilogram and decrease the research and development (R&D) component from 4 to 2 cents per kilogram.

The purpose of increasing the NRS component of the levy to 6 cents per kilogram is to restore NRS levy revenue to a level sufficient to support a residue monitoring program that includes enough samples to ensure access to key export markets for deer producers. Approximately 85 per cent of all venison produced in Australia is exported.

The proposed NRS levy cap increase to 10.5 cents per kilogram will cover the deer industry's proposal to increase the NRS component of the levy to 6 cents per kilogram, and allow for future increases that the industry may seek without the need to further amend the Act.

The deer industry undertook an extensive period of consultation and the decision to re-apportion the levy was put to a vote in March 2011, where approximately 97 per cent of valid responses from deer producers supported this change.

The levy is imposed on the hot or cold dressed carcass weight of deer slaughtered for human consumption, with deer producers liable to pay the levy.

The Bill does not include consequential amendments to other Acts.

## **FINANCIAL IMPACT STATEMENT**

The proposed amendment to change the Act to increase the NRS levy cap from 4 to 10.5 cents per kilogram of carcase weight has been assessed as having no financial impact on the Australian Government and affected parties.

The subsequent regulatory amendments proposed by the DIAA will not have any financial impact on the Australian Government or the deer industry, as the increase in the NRS component of the levy will be achieved by re-apportioning the levy. The R&D component of the levy is proposed to be reduced so matching government contributions for R&D funding will not increase.

The Rural Industries Research and Development Corporation confirmed that a reduction in the R&D component of the levy is acceptable considering the industry's circumstances and should not impact future deer-related projects.

## **NOTES ON CLAUSES**

### **Clause 1: Short title**

This clause provides for the short title of the Act to be the National Residue Survey (Excise) Levy Amendment (Deer) Bill 2011.

### **Clause 2: Commencement**

The Act commences on the day after this Act receives the Royal Assent.

### **Clause 3: Schedule(s)**

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its items.

### **Schedule 1 – Amendments**

#### ***National Residue Survey (Excise) Levy Act 1998***

#### **Item 1: Paragraphs 3(1)(a) and (b) of Schedule 11**

This item increases the maximum rate (cap) of the National Residue Survey (NRS) component of deer slaughter levy from 4 cents to 10.5 cents per kilogram of carcass weight.